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Arranged by

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CAMARGUE BODY CORPORATE TRUSTEES AND/OR HOME OWNER ASSOCIATION ELECTED OFFICIALS FIDELITY AND ERRORS AND OMISSIONS POLICY

In consideration of the payment of the premium by or on behalf of the Insured named in the Schedule, the Insurer agrees to indemnify the Insured in respect of the Defined Events stated herein occurring during the Period of Insurance or as otherwise provided under the Policy up to the Limit of Indemnity specified.

CONDITIONS

1. Conditions Precedent to Liability

Insofar as they relate to anything to be done or complied with by the Insured, the due observance and fulfillment of the following conditions and stipulations and of any further conditions and stipulations that may be endorsed hereon or added hereto is a condition precedent to any liability of the Insurer under this Policy and no waiver of any of the terms, conditions or stipulations of this Policy shall be valid unless made in writing upon this Policy and signed on behalf of the Insurer. The head notes to any paragraph are for reference purposes and shall not effect the interpretation of the Policy.

2. Claims Notification

Notification of any Claim or circumstance which may give rise to a claim shall be given in writing as soon as is reasonably possible, with the fullest information thereof. The Insured shall also furnish all such information and assistance as the Insurer may require.

If the Insured, or any representative of the Insured to whom is entrusted the duty of superintendence or audit, suspect or become aware of the negligence or Dishonesty of a Trustee/Elected Official, they shall report such negligence or Dishonesty as soon as possible to the Insurers.

3. Prosecution

The Insured shall, if and when required by the Insurer, and at the expense of the Insurer, use all diligence in prosecuting the Trustee/Elected Official to conviction for any criminal act which he/she shall have committed and in consequence of which a Claim shall have been made under this Policy and shall, at the Insurer's expense, give all information and assistance to enable the Insurer to sue for and obtain reimbursement from the Trustee/Elected Official or his/her estate of any monies which the Insurer shall have become liable to pay hereunder.

4. Litigation costs

The Insurer agrees to pay litigation expenses in prosecuting or defending any Claim where such litigation expenses are incurred with the written consent of the Insurer. Such payment shall be part of and not in addition to the Limit of Indemnity.

5. Admission of Liability

The Insured shall not, without the written authority of the Insurer, voluntarily incur any liability (including litigation expenses) or voluntarily give any undertaking to make any payment, or settlement of or admission of liability for, any event for which the Insurer would be liable under this policy.

6. Access to the Fund's Records

The Insurer or its duly authorised representative shall have reasonable access to the Insured's records and books after receiving notice of a loss and may call for sworn declarations by the Insured or their representative, in support of any claim submitted.

7. Subrogation

When a Loss has been made good by the Insurer, a discharge thereof shall be made by the Insured and the Insured shall, when required by and at the expense of the Insurer, assign to the Insurer Claims and rights of action competent to the Insured against the persons concerned in respect of the loss sustained.

However, this shall not apply to any natural person(s) acting as a Trustee/Elected Official where they are indemnified under Defined Event 1.

8. Assets of Trustee/Elected Official Held by Insured (applicable to defined events 2 & 3)

Any sum of Money, estate or effects which shall come into the possession or power of the Insured for or on account of any person whose act or acts give rise to a claim under Defined Events 2 or 3 shall, insofar as it is competent for the Insured to do so, be realised by the Insured to the best advantage and the proceeds shall be accounted for by the Insured to the Insurer and treated as a deduction from the loss.

9. Control of Proceedings

The Insurer shall be entitled to undertake the conduct and control of all or any proceedings in respect of any Claim for which the Insurer may be liable under Defined Event 1 which may be commenced by or against the Insured, and to use the name of the Insured to enforce, for the benefit of the Insurer, any order made for costs or otherwise and to make or defend any claim for indemnity or damages against any person or Insurers or for any other purpose connected with this Policy.

9.1. The Insured shall not be required to contest any legal proceedings unless counsel (to be mutually agreed upon by the Insured and the Insurer) shall advise that such proceedings should be contested.

9.2. The Insurer shall not settle any claim without the consent of the Insured. If however the Insured shall refuse to consent to any settlement recommended by the Insurer, and shall elect to contest or continue any legal proceedings in connection with such claim then the Insurer's liability for the claim shall not exceed the amount by which the claim could have been so settled plus the costs, charges and expenses incurred with their consent up to the date of such refusal, and then only up to the Insurer's Limit of Indemnity.

10. Recoveries Where a Loss Exceeds the Limit of Indemnity

In the case of recovery on account of any Loss covered under this insurance the amount recovered, after deducting the actual cost of obtaining or making such recovery but excluding the Insured's own labour and/or establishment costs, shall be applied in the following order:

10.1. To reimburse the Insured in full for that part, if any, of such Loss which exceeds the Limit of Indemnity (disregarding the amount of any First Amount Payable);

10.2. The balance, if any, or the entire net recovery if no part of such Loss which exceeds the Limit of Indemnity, to reduction of that part of such Loss covered by this insurance, or if payment thereof shall have been made, to the reimbursement of the Insurer;

10.3. Finally, to that part of such Loss sustained by the Insured by reason of any First Amount Payable Clause as specified in the Schedule.

11. First Amount Payable

The Insurer shall be liable only in excess of the First Amount Payable. The First Amount Payable shall apply in respect of each and every Loss or Claim.

12. Fraudulent Claims

If any Claim under this Policy is in any respect fraudulent, or if any fraudulent means or devices be used by the Insured or anyone acting on their behalf or with their knowledge or consent to obtain any benefit under this policy, or if any event is occasioned by the willful act or with the connivance of the Insured, the benefit afforded under this policy in respect of such Claim shall be forfeited.

13. Appointment of Managing Agent

There must be a written contract or a written service level agreement between the Managing Agent and the Body Corporate/Home Owners Association, or alternatively, a Body Corporate/Home Owners Association Trustees/Elected Officials resolution or confirmed extract from the minutes of a Body Corporate Trustees/Home Owners Association committee meeting confirming appointment of such managing agent.

14. South African Jurisdiction

This policy shall be governed by the laws of the Republic of South Africa whose courts shall have jurisdiction in any dispute arising hereunder.

15. Cancellation

This policy may be cancelled at any time by the Insurer giving 30 days' notice in writing to the Insured, or by the Insured giving immediate notice. The Insured shall be entitled to a refund of premium for the unexpired period of insurance.

DEFINED EVENTS

1. **Negligence**, which shall mean :

Any Claim first made against a Trustee/Elected Official during the Period of Insurance resulting from any Wrongful Act committed by a Trustee/Elected Official anywhere in the world but not in respect of any judgement, award or settlement made within countries which operate under the laws of the United States of America or to any order made anywhere in the world to enforce such judgement, award or settlement in whole or in part.

If, during the Period of Insurance, written notice of a claim against the Insured has been given to the Insurer, then any claim which is subsequently made against the Insured and reported to the Insurer alleging, arising out of, based upon or attributable to the facts alleged in the Claim of which such notice has been given or alleging any Wrongful Act which is the same, related, continuous or repeated Wrongful Act alleged or contained in such Claim, shall be considered made against the Insured and reported to the Insurer at the time such notice of such Claim was given.

If, during the Period of Insurance, or during the Discovery Period (if applicable), the Insured shall become aware of any circumstances which may reasonably be expected to give rise to a Claim being made against the Insured and shall give written notice to the Insurer of the circumstances and the reasons for anticipating such Claim, with full particulars as to dates and persons involved, then any Claim which is subsequently made against the Insured and reported to the Insurer alleging, arising out of, based upon or attributable to such circumstances or alleging any Wrongful Act which is the same, related, continuous or repeated Wrongful Act alleged or contained in such circumstances, shall be considered made against the Insured and reported to the Insurer at the time such notice of such circumstances was given.

2. **Theft, Fraud and Dishonesty**, which shall mean :

- i. any loss of Money and/or other property belonging to the Insured or for which they are responsible, which is stolen, or removed without the Insured's authority by a Trustee/Elected Official; and
- ii. any direct financial Loss sustained by the Insured as a result of fraud or Dishonesty of a Trustee/Elected Official

Notwithstanding the foregoing, it is agreed that where the Loss results from Loans or Trading Defined Event 2 provides indemnity only for those dishonest or fraudulent acts of any of the Trustees committed for improper personal financial gain.

all of which occurs during the Period of Insurance or after the Retroactive Date and which is discovered during the Period of Insurance or within 12 months of the termination of this Policy.

Note :

The term "Money" or "Moneys" shall include securities, derivative instruments, cheques, bills of exchange, investments, certificates of deposit, shares, letters of credit or orders upon public treasuries, promissory notes, currency, coins and bonds.

3. **Computer Crime, which shall mean :**

Loss resulting directly from fraudulent or dishonest

- i) entry of data into; or
- ii) change of data elements or programmes within

the Insured's computer System, provided such entry or change causes :

- a) property to be transferred, paid or delivered;
- b) an account of the Fund, or of its member(s) to be added, deleted, debited or credited;
- c) an unauthorised account or fictitious account to be debited or credited

all of which occurs during the Period of Insurance or after the Retroactive Date and which is discovered during the Period of Insurance or within 12 months of the termination of this Policy.

4. **Limit and retention**

- 4.1. The liability of the Insurer's total aggregate liability under all defined events (including extensions) together shall not exceed the Limit of Indemnity shown in the Schedule.
- 4.2. Renewal of this insurance from period to period or any extension of any Period of Insurance shall not have the effect of accumulating or increasing the liability of the Insurer beyond the Limit of Indemnity.
- 4.3. The Insured shall be responsible for the First Amount Payable shown in the Schedule. Such is to apply, without aggregation, to each and every Claim for indemnity hereunder.

DEFINITION / CLARIFICATION OF WORDS / TERMS

1. **DEFINITIONS**

The following definitions shall have the same meaning throughout the policy where ever they appear.

"Trustee/Elected Official" shall mean any of the following who provides services to or for the Insured:

a present or past trustee/elected official, or clerk or employee, or managing agent, or employee of the managing agent of the Insured but shall not include any receiver or liquidator, judicial manager or any other person appointed to take over the Insured's business.

"Insured" shall mean:

The Body Corporate/Home Owners Association stated in the Schedule.

"Wrongful Act" shall mean:

any actual or alleged breach of duty, breach of statutory duty or trust, neglect, error, misstatement, misleading statement, omission, libel, slander, unintentional breach of confidentiality or other act wrongfully committed, omitted or attempted by a Trustee/Elected Official which arises by reason of their being a Trustee/Elected Official of the Insured other than as insured under Defined Events 2 or 3.

“Defence Costs” shall mean:

all legal costs incurred with the Company’s prior written consent in defending a Claim resulting from any actual or alleged Wrongful Act.

“Loans” shall mean:

- a) any loan transaction in the nature of or amounting to a loan or a lease or extension of credit, made by or obtained by or from the Insured;
- b) payments made or withdrawals from any account involving items which are not finally paid for any reason;
- c) any note, account, agreement or other evidence of debt, assigned or sold by or to, or discounted or otherwise acquired by the Insured.

“Trading” means trading or other dealings in securities, derivatives, commodities, futures, options, currencies, foreign exchange and the like.

2. CLARIFICATION OF TERMS USED IN THE POLICY

2.1 “Dishonesty” wherever this word is used in any condition, exception, clause or endorsement shall include:

2.1.1 theft as provided for in Defined Event 2.i;

2.1.2 fraud as provided for in Defined Event 2.ii.

2.2 “Improper personal financial gain” shall not include:

gain by the Trustee/Elected Official in the form of salary, salary increases, fees, commissions, bonuses, promotions or other emoluments.

3. DEFINITION OF LOSS

Wherever the terms “Loss” or “Claim” is used in this policy it is understood to mean any loss, losses or series of losses arising out of the same event.

A loss, losses or series of losses caused by Wrongful Acts of, or involving any one person whether acting alone or in collusion, whether with one of the Trustees/Elected Officials of the Insured or not, or Wrongful Acts in which any one person whether acting alone or in collusion is concerned or implicated, shall be deemed as being the same event.

EXCLUSIONS

The Insurer shall not be liable for any Claim or Claims:

1. involving or arising out of a fact, circumstance or event which occurred prior to the Retroactive Date hereof and/or which was notified to any Insurer(s) or Insurer(s) prior to the inception of this Policy
2. for any actual or alleged bodily injury, sickness, disease or death of any person or any actual or alleged loss or destruction of or damage to any tangible property including loss of use thereof;
3. based upon, or arising out of, directly or indirectly resulting from, or in consequence of, or in any way involving actual or alleged seepage, pollution or contamination of any kind;
4. any third party Claim arising from or contributed to by depreciation (or failure to appreciate) in value of any investment, including loans, securities, commodities, currencies, options and futures transactions, or as result of any actual or alleged representation, guarantee or warranty provided by or on behalf of the Insured as to the performance of any such investments where such matters are outside the influence or control of the Trustee/Elected Official.
5. brought about or contributed to by or consequent upon:
 - 5.1. loss or destruction of or damage to any property whatsoever or loss or expense whatsoever resulting or arising there from or any consequential loss;

or

 - 5.2. any legal liability of whatsoever nature;

directly or indirectly caused or contributed to by or arising from:

 - a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
 - b) the radioactive, toxic, explosive nuclear assembly or nuclear component thereof;
6. resulting from the fraud or Dishonesty of any Trustee/Elected Official from the time the Insured shall become aware that such Trustee/Elected Official has committed any fraud or Dishonesty indemnifiable in terms of the Policy. Any Wrongful Act pertaining to any Trustee/Elected Official shall not be imputed to any other Trustee.
7. In respect of which the Insured is entitled to a payable Indemnity under any other insurance policy, except for those amounts not indemnified by any such other policy whether by reason of the loss falling within the policy's deductible or excess, and/or due to the total loss exceeding the limit of indemnity or Limit of Indemnity provided by that policy.
8. where legal action or litigation is brought in a court of law within the United States of America or Canada or their respective territories or possessions or where legal action or litigation is brought in a court outside those territories to enforce a judgement in those territories whether by way of reciprocal agreement or otherwise.
9. arising from fines or penalties or punitive or exemplary or multiple damages.

10. loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

- (a) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (b) any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence, by any means whatsoever, including chemical and/or biochemical means, and/or the threat of such force or violence, by any person or group(s) or persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 1 and/or 2 above.

If the Insurer alleges that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Insured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

11. any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly caused by, arising out of, resulting from, in consequence of, in any way involving, or to the extent contributed to by, the hazardous nature of asbestos in whatever form or quantity.

12. **Special Computer Loss General Exclusion**

Notwithstanding any provision of this policy including any special exclusion or extension or other provision not included herein which would otherwise override a general exclusion, this policy does not cover any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or consisting of or arising from the incapacity or failure of any computer, correctly or at all

- a) to treat any date as the correct date or true calendar date, or correctly or appropriately to recognise, manipulate, interpret, process, store, receive or to respond to any date or information, or to carry out any command or instruction, in regard to or in connection with any such date or
- b) to capture, save, retain or process any information or code as a result of the operation of any command which has been programmed into any computer, being a command which causes the loss of data or the inability to capture, save, retain or correctly to process such data in regard to or in connection with any such date or
- c) to capture, save, retain or to process any data as a result of the action of any computer virus, or other corrupting, harmful or otherwise unauthorised code or instruction including any trojan horse, time or logic bomb or worm or any other destructive code, media or programme or interference.

A computer includes any computer, data processing equipment, microchip, integrated circuit or similar device in computer or non-computer equipment or any computer software, tools, operating system or

any computer hardware or peripherals and the information or data electronically or otherwise stored in or on any of the above, whether the property of the Insured or other person

EXTENSIONS AND CONDITIONS

Accountants Clause

Any particulars or details contained in the Insured's books of account or other business books or documents which may be required by the Insurer under this Policy for the purpose of investigating or verifying any Claim hereunder may be produced and certified by the Insured's auditors or professional accountants at the Insurer's cost and their certificate shall be prima facie evidence of the particulars and details to which it relates.

Reinstatement Option

(If stated in the Schedule or by endorsement to the Policy to be included)

In the event of the exhaustion of the aggregate limit under this Insurance or as a result of any one loss and/or series of losses such aggregate limit shall be reinstated, but any such reinstated amount shall apply only in respect of payments which are totally unrelated to any payment(s) that give rise to such reduction. It being understood that the total liability of the Insurer under this Insurance shall be limited to twice the amounts shown in the Schedule during the Period of Insurance.

Cost of recovery extension

If the Insured shall sustain any Loss to which Defined Events 2 and 3 apply, which exceeds the Insurer's limit of liability, the Insurer will pay to the Insured costs and expenses necessarily incurred with the consent of the Insurer (which consent shall not unreasonably be withheld) for the recovery or attempted recovery from the Trustee/Elected Official in regard to whom the Claim is made, of that part of the Loss which exceeds the Insurer's limit of liability hereunder. All amounts recovered by the Insured in excess of the said part of the Loss shall be for the benefit of the Insurer. Such costs and expenses to be in addition to the Limit of Indemnity and not to exceed the specified limit for this extension as stated in the schedule.

Dishonesty of Trustee/Elected Official extension

Notwithstanding anything to the contrary contained in this Policy, the indemnity granted by this Policy extends to include professional liability claims arising out of any dishonest, fraudulent or malicious act or omission of any Trustee/Elected Official in the conduct of the Insured's business

- a) the Insurer shall not be liable to indemnify the Insured in respect of claims arising out of the dishonest, fraudulent or malicious act or omission of any Trustee/Elected Official after the discovery or reasonable suspicion, by the Insured, of any such act or omission on the part of the same Trustee/Elected Official which has given or may give rise to a Claim under this Extension.
- b) any Claim under this extension arising out of the collusion of two or more Trustees/Elected Officials shall be deemed to be one Claim.

Unidentifiable Trustee/Elected Official Clause

If a Loss is alleged to have been caused by the Fraud or Dishonesty of any of the Trustees/Elected Officials and the Insured shall be unable to designate the specific Trustee/Elected Official or Trustees/Elected Officials causing the Loss, the Insured's Claim in respect of such Loss shall not be invalidated by their

inability to do so provided the Insured is able to furnish evidence to the reasonable satisfaction of the Insurer that the loss was in fact due to the fraud or Dishonesty of one or more of the Trustees/Elected Officials.

VAT Exclusive

The Limit of Indemnity is expressed on a VAT exclusive basis. The Insurer agrees to indemnify the Insured, over and above the Limit of Indemnity for any VAT obligation the Insured may incur arising out of any Claims settlement made hereunder.

Retroactive Date

The Insurer shall not be liable to provide indemnity hereunder for any event(s) which occurred prior to the Retroactive Date stated in the Schedule, provided that nothing contained within this Condition shall be interpreted as releasing the Insured from their obligation to reveal as a material fact all details of Claims made or outstanding or events likely to give rise to a Claim.

Increase in Limit of Indemnity

If the Limit of Indemnity is increased, such increased Limit of Indemnity shall only apply to the Wrongful Act or theft, fraud or Dishonesty committed after the date of such increase.

Discovery Clause (Applicable to Defined Event 1)

In the event the Insurers refuse to renew this insurance then subject to all the terms, exceptions and conditions of the policy the Insurer agrees to extend the period during which the Insured may report a Claim for a period of 12 months (herein referred to as the Discovery Period) provided that:-

- a) the Insurer shall not be liable for Wrongful Acts which occurred after the Policy Period
- b) any such reported Claim shall be treated as if it had been reported on the last day of the Policy Period
- c) the total amount payable by the Insurer for a Claim during the Discovery Period shall not have the effect of increasing the limit of liability of the policy
- d) the Insured has not obtained insurance providing substantially the same scope of cover granted hereunder
- e) the quotation by the Insurer of different premiums and/or terms and/or different limitations and/or different exclusions and/or different limits of indemnity at renewal does not constitute a refusal to renew.

Knowledge Of Fraud Or Dishonesty By The Proposer

Non-disclosure of any act of fraud, Dishonesty, Theft, or Computer Crime which may have been committed by the person signing the proposal form or giving inception or renewal instructions shall not be relied on by the Insurers to deny liability to the Insured provided that no other Trustee had knowledge or can reasonably be expected to have knowledge of the act at any time prior to inception or renewal.

Expenses Incurred in Reinstating Office Records

The Policy is extended to include costs, charges and expenses incurred by the Insured in replacing and/or restoring any computer files and data media documents, manuscripts, business books, plans, design specifications or programmes destroyed, damaged or lost as a result of loss insured by this Policy. Such costs and expenses to be in addition to the Limit of Indemnity and not to exceed the specified limit for this extension as stated in the schedule.

Claims Preparation Costs

The indemnity provided by this Policy includes costs and expenses incurred in producing and certifying any particulars or details required by the Insurer in terms of Condition 2 or to substantiate the amount of any Claim. Such costs and expenses to be in addition to the Limit of Indemnity and not to exceed the specified limit for this extension as stated in the schedule.

Extended Cover for Former Trustees/ Elected Official

Any person who ceases to be a trustee shall for the purposes of the policy be considered as being a trustee for a period of 30 (thirty) days after he ceased to be a trustee